

**806 KAR 17:440. Provider agreement, subcontract agreement, and risk-sharing arrangement agreement and other filing requirements for insurers offering a limited health service benefit plan.**

RELATES TO: KRS 304.17C-060

STATUTORY AUTHORITY: KRS 304.2-110(1), 304.17C-060(1)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.2-110(1) authorizes the executive director to promulgate reasonable administrative regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code, as defined in KRS 304.1-010. KRS 304.17C-060(1) requires the executive director to promulgate administrative regulations regarding the manner and form of required filings. This administrative regulation establishes those requirements, as well as requirements for the filing of additional information relating to risk sharing arrangements and limited health service benefit plans.

Section 1. Definitions. (1) "Insurer" is defined in KRS 304.17C-010(4).

(2) "Limited health service benefit plan" is defined in KRS 304.17C-010(5).

(3) "Limited health service organization" is defined in KRS 304.38A-010(5).

(4) "Provider agreement" means a contract between an insurer offering a limited health service benefit plan and a provider for the provision of limited health care services.

(5) "Risk-sharing arrangement agreement" means any agreement, except a reinsurance contract with an accredited or admitted reinsurer, that allows an insurer offering a limited health service benefit plan to share the financial risk of providing limited health care services to enrollees or insureds with another entity or provider if there is a chance of financial loss to the entity or provider associated with the delivery of the limited health service.

(6) "Subcontract agreement" means a contract for the provision of health care services to an enrollee between:

(a) A provider who is a participating provider with an insurer offering a limited health service benefit plan and a provider who is not a participating provider with an insurer offering a limited health service benefit plan; or

(b) A risk-sharing entity as referenced in subsection (5) of this section and a provider.

Section 2. Filing Requirements. (1) An insurer offering a limited health service benefit plan shall file a sample copy of the following with the executive director at least sixty (60) days before its intended use:

(a) Provider agreement;

(b) Risk-sharing arrangement agreement; and

(c) Subcontract agreement.

(2) An insurer offering a limited health service benefit plan shall file with the executive director a Risk-sharing Arrangement Information Sheet HIPMC-R1 (7/00), by the first day of September of each calendar year.

(3) An insurer issuing, delivering, or renewing a limited health service benefit plan shall complete and attach Form HIPMC-F37, Limited Health Service Benefit Plan Summary Sheet - Form Filings (07/02), to each limited health service benefit plan filed with the executive director.

(4) A sample copy filed pursuant to subsection (1) of this section shall include:

(a) A compensation arrangement, including a description of the:

1. Payment methodology; and

2. Payor as defined in the agreement; and

(b) Any attachment, exhibit, or addendum to the items listed in subsection (1) of this section.

(5) A filing pursuant to subsection (1) of this section shall include the following:

- (a) A completed and signed Face Sheet and Verification Form HIPMC-F1 (06/02); and
- (b) A filing fee as follows:
  - 1. Twenty-five (25) dollars for a provider agreement or subcontract agreement; or
  - 2. Fifty (50) dollars for a risk-sharing arrangement agreement.
- (6) A filing pursuant to subsection (1) of this section shall:
  - (a) Not be considered complete until all information required by Sections 2 through 6 of this administrative regulation is received by the executive director; and
  - (b) Be disapproved if a complete filing is not received within sixty (60) days of the date of filing.
- (7) If an existing provider agreement, subcontract agreement, or risk-sharing arrangement agreement that was previously filed with the executive director is amended, affecting any requirements of Sections 2 through 6 of this administrative regulation or statute, the insurer offering a limited health service benefit plan shall submit to the executive director:
  - (a) An amended filing at least sixty (60) days before its intended use; and
  - (b) A letter that identifies and explains each amendment.
- (8) The failure of an insurer offering a limited health service benefit plan to file a sample copy of a provider agreement, subcontract agreement, or risk-sharing arrangement agreement, or other filing as required by subsections (1), (2), (3), (4) and (7) of this section, may result in the imposition of a civil penalty in accordance with KRS 304.99.

Section 3. Provider Agreement Requirements. A sample copy of a provider agreement filed with the executive director shall:

- (1) Comply with the requirements of KRS 304.17C-060(1);
- (2) Be governed by Kentucky law; and
- (3) Not include a limitation on disclosure provision in accordance with KRS 304.17C-070.

Section 4. Subcontract Agreement Requirements. A sample copy of a subcontract agreement that is referenced in any provider agreement or risk-sharing arrangement agreement shall:

- (1) Be filed with the executive director by the insurer offering a limited health service benefit plan in conjunction with the provider agreement or risk-sharing arrangement agreement;
- (2) Meet the requirements of Section 3(1) to (3) of this administrative regulation; and
- (3) Meet the requirements of KRS 304.17C-060(2).

Section 5. Risk-sharing Arrangement Requirements. A sample copy of a risk-sharing arrangement filing shall:

- (1) Meet the requirements of Section 3(1) to (3) of this administrative regulation;
- (2) Meet the requirements of KRS 304.17C-060(2); and
- (3) Include a Risk-sharing Arrangement Information Sheet HIPMC-R1.

Section 6. Incorporation by Reference. (1) The following material is incorporated by reference:

- (a) "Face Sheet and Verification Form HIPMC-F1 (06/02)";
- (b) "Risk-sharing Arrangement Information Sheet HIPMC-R1 (7/00)"; and
- (c) "Limited Health Service Benefit Plan Summary Sheet - Form Filings HIPMC-F37 (07/02)".

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Office of Insurance, 215 West Main Street, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. Forms may also be obtained on the department's in-

ternet web site at <http://doi.ppr.ky.gov/kentucky/>. (29 Ky.R. 1444; Am. 1809; eff. 1-16-2003; TAm eff. 8-9-2007.)